

# GUNNAR MINING

L I M I T E D

797 DON MILLS ROAD • DON MILLS, ONTARIO • TELEPHONE 429-1700

August 15, 1967.

## Interim Consolidated Financial Statements For the Six Months Ended June 30, 1967

The loss for the first half of 1967 at \$1,574,013 includes a still further provision of \$1,055,000 for deterioration on prior years' contracts, now in their final stages. We believe that results for the full year will show an improvement, due to the normal construction business cycle which generates greater earnings in the latter half of the calendar year. The Kettle Rapids Power Project is now fully mobilized within the budgeted estimates. Production to date has been satisfactory and is on schedule.

The Leon Sullivan Joint Venture Project commenced production in late May and is presently treating 600 tons of ore per day and selling the copper concentrate to Noranda Mines Limited.

## Statement of Consolidated Income For the Six Months Ended June 30, 1967

Gross revenue .....		\$24,759,522
Operating costs .....		23,215,711
Gross profit from operations .....		1,543,811
Share of joint venture profits — net .....		134,000
Gross profit .....		1,677,811
Administrative and general expenses .....	\$2,804,020	
Financial expenses .....	1,019,331	
Depreciation .....	414,724	
Mining exploration .....	107,304	
Net operating loss .....		4,345,379
Gain on sale of surplus construction equipment — net .....		2,667,568
Net loss to June 30, 1967 .....		1,093,555
		<u>\$1,574,013</u>

## Statement of Consolidated Source and Application of Funds For the Six Months Ended June 30, 1967

### Source of funds

Book value of assets sold .....	\$ 32,071
Realization of sundry investments — net .....	44,979
Decrease in working capital .....	1,739,752
	<u>\$1,816,802</u>

### Application of funds

Net Loss .....	\$1,574,013	
Less depreciation .....	414,724	\$1,159,289
Purchase of fixed assets .....		613,232
Mortgage principal payments .....		21,781
Investment in mining interest .....		22,500
		<u>\$1,816,802</u>

### Note:

Comparative figures as of June 30, 1966 have been omitted. Due to last year's internal corporate re-organization, together with the uncertain status of major loss contracts, interim comparative figures would not be meaningful.





# GUNNAR MINING LIMITED

Suite 1707, 80 Richmond Street West  
Toronto 1, Ontario, Canada

---

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Annual Meeting of Shareholders of GUNNAR MINING LIMITED will be held in the Library, Royal York Hotel, 100 Front Street West, Toronto, Ontario, on

**MONDAY, THE 17th DAY OF JUNE, 1968**

at the hour of 11:00 o'clock in the forenoon, Toronto time:

- (a) to receive and consider the Directors' report, the financial statements of the Company for the year ended 31st December, 1967, and the report of the auditors thereon;
- (b) to elect Directors;
- (c) to appoint auditors and authorize the Directors to fix their remuneration;
- (d) to transact such other business as may properly come before the meeting or any adjournment thereof.

A copy of the Directors' report including the financial statements of the Company and an Information Circular accompany this notice.

Shareholders who are unable to attend the meeting in person are requested to date and sign the enclosed form of proxy and return it in the envelope provided for that purpose.

DATED at Toronto, Ontario, this 21st day of May, 1968.

By Order of the Board of Directors,

"J. S. McFADDEN",

Secretary.



# GUNNAR MINING LIMITED

Suite 1707, 80 Richmond Street West

Toronto 1, Ontario, Canada

## INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Gunnar Mining Limited (the Company) of proxies to be used at the annual and special general meeting of shareholders of the Company to be held at the time and place and for the purposes set forth in the enclosed notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Company. A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed proxy to the Secretary of the Company.

A shareholder who has given a proxy may revoke it either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy by signing written notice of revocation and depositing it either at the head office of the Company or with the Chairman of the meeting.

### EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. IN THE ABSENCE OF SUCH DIRECTION, SUCH SHARES WILL BE VOTED FOR THE APPROVAL OF THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS, AND FOR THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED UNDER THOSE HEADINGS IN THIS CIRCULAR. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendment, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

### VOTING SHARES

On the date of this information circular the Company had outstanding 4,341,649 common shares with a par value of \$1.00 each, each share carrying the right to one vote per share. The directors and senior officers of the Company do not know of any person or company beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company. The directors have fixed the date of the meeting as the record date for the determination of the persons entitled to attend and vote at the meeting.

### ELECTION OF DIRECTORS

The board consists of seven directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, five of whom are now members of the board of directors and have been since the dates indicated. Messrs. J. Douglas McKee and Ernest J. Spence have not been previously directors. The management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting and until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws.



The following table and the notes thereto state the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, the year in which they became directors of the Company, and the approximate number of shares of the Company beneficially owned, directly or indirectly, by each of them, as of the date of this information circular.

<u>Name</u>	<u>Director Since</u>	<u>Number of Shares Owned</u>
T. P. O'Connor, Q.C., President of the Company since 1966 and Partner in law firm of Carrick, O'Connor, Coutts & Crane	1965	5
John N. Botsford, B.Sc., Vice-President and General Manager of the Company since 1962	1960	200
Joseph S. LaBine, President, Thunder Bay Investments Company Limited and formerly President of the Company	1948	2,000
Harold McNamara, Chairman of the Board, McNamara Corporation Limited since 1965, formerly President and Vice-President of McNamara Corporation Limited	1964	10
William McNamara, Executive and formerly Vice-President of McNamara Corporation Limited	1964	1,000
A. Douglas McKee, President of McNamara Corporation since 1965, formerly Vice-President of Foundation Company of Canada Limited	not yet a director	none
Ernest J. Spence, Financial Consultant; Director Triarch Corporation Limited	not yet a director	none

- Notes: (a) The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually;
- (b) Unless otherwise stated above, each of the above named persons has held the principal occupation or employment indicated for at least five years.

#### REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

- (1) Aggregate direct remuneration paid or payable during 1967 by the Company and its subsidiaries, whose financial statements are consolidated with those of the Company, to the directors and senior officers of the Company ..... \$125,000.00
- (2) Estimated aggregate costs to the Company and its subsidiaries in 1967 of all pension benefits proposed to be paid to the directors and senior officers of the Company under existing plans in the event of retirement at normal retirement age ..... \$ 1,973.00

#### APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the re-appointment of Touche, Ross, Bailey & Smart as Auditors of the Company to hold office until the next annual meeting of the shareholders. These Auditors, or the predecessor partnership, have been Auditors of the Company since 1937.

On Behalf of the Board,

J. S. McFADDEN,  
Secretary.

DATED as of the 21st day of May, 1968.

